



Indiana County Auditor's Conference Budgeting & Protected Taxes

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Budget Division Director
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Agenda

- 2014 Status Update
- 2015 Budgets
 - Timeline
 - Online Ads
 - County Reviews
 - Non-Binding Recommendations
 - Binding Adoption
- Pilot Program
- Protected Taxes

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2014 Status Update

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THANK YOU!!!

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2015 Budgets

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2015 Timeline

- March 31, 2014
 - Sales data submission to the Department's Data Division.
 - First step in the process is sales data must be compliant before a ratio study can be reviewed and approved.

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2015 Timeline

- May 1, 2014
 - Recommended date for ratio study submission to the Department's Assessment Division.

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2015 Timeline

- June 30, 2014
 - Settlement date for the May tax collections.
 - First six months' fund balances and operating results available.
 - Can start to complete the Current Year Financial Worksheet on Gateway.
- July 1, 2014
 - Deadline for roll and balance of gross assessed values from county assessor to county auditor.

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2015 Timeline

- July 15, 2014
 - Redevelopment commissions must file a letter indicating any available TIF surplus.
 - TIF Passthrough
 - AV of TIF Released
 - In advance of certification of net assessed values, county auditor prepares and submits TIF Neutralization worksheets to the Department.
 - Upon approval, be sure to apply the neutralization factor within your system.

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2015 Timeline

- August 1, 2014
 - Deadline to submit 2014 pay 2015 net assessed values to the Department through Gateway.
 - Submission of NAVs generally determine the order in which a county's budget will be reviewed.

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2015 Timeline

- August 1, 2014
 - Prior to submission, determine appropriate amount of AV withholding to provide sufficient “cushion” for deduction filings through the end of the year.
 - If you need to withhold more than 2% of net AV within any taxing district, you must submit a request to the Department prior to certification.

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2015 Timeline

- September 2, 2014
 - Deadline for taxing units to submit necessary information to county council or city/town fiscal body for non-binding recommendation or binding adoption.
 - Submission expected to be done through Gateway.
 - It is the taxing unit’s responsibility to submit this information by the deadline.

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2015 Timeline

- September 13, 2014
 - Last day for first publication of proposed 2015 budget, levy, and notice to taxpayers of public hearing (Budget Form 3).
 - At least 10 days before public hearing.
 - For units subject to binding adoption, the appropriate fiscal body is responsible for the proper publication of the notice.

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2015 Timeline

- **NEW THIS YEAR**
- September 13, 2014
 - In addition to submitting the Form 3 to the newspaper for publication, there is now also a statutory requirement that the Form 3 be submitted on Gateway with the same timing as the publication.
 - At least 10 days before the public hearing.

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2015 Timeline

- September 20, 2014
 - Last day for second publication of proposed 2015 budget, levy, and notice to taxpayers of public hearing (Budget Form 3).
 - At least 3 days before public hearing and at least 7 days after first publication.

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2015 Timeline

- October 1, 2014
 - Last day for county fiscal body to complete non-binding recommendations to taxing units on proposed 2015 budgets, levies, and tax rates.

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2015 Timeline

- October 22, 2014
 - Last possible day for taxing units to hold a public hearing on the 2014 budget.
 - Must be held at least 10 days before the budget adoption.

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2015 Timeline

- November 3, 2014
 - Last possible day for budget adoption.
- Submission of budget forms through Gateway must occur within 2 days after budget adoption.

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Online Ads

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Online Ads

- Online budget ads will allow taxpayers to access the Form 3 information at any time once submitted.
- The county unit will have an additional responsibility for publishing an ad that includes information about the change to online ads.
 - Webpage address for accessing information
 - Phone number that taxpayers can call to request Form 3s to be mailed to them.

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Online Ads

- The Department will release additional information on this county responsibility shortly.
- In addition, the Department will be providing a “press kit” pertaining to online ads so taxing units can do their own outreach on this process as desired.
- This would be in addition to the outreach the Department will be doing.

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County Review

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Non-Binding Recommendations

- Taxing units included
 - Any taxing unit (other than the county unit) that is not subject to binding adoption of its proposed budgets and levy by an appropriate fiscal body.
 - Taxing units with elected fiscal bodies/boards.
 - Libraries with an appointed board where the growth in the proposed budget is less than the AVGQ.

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Non-Binding Recommendations

- Information to be provided by taxing unit that proposes to levy a property tax in the ensuing year.
 - Proposed budget, levy, and tax rate for non-school units.
 - Proposed levy and tax rate for schools.

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Non-Binding Recommendations

- County responsibilities – Non-School Units
 - Review the proposed budgets, levies, and tax rates for the taxing unit.
 - Must issue a recommendation regarding the taxing unit's proposed budgets, levies, or tax rates.
 - Must include comparison to Indiana AVGQ and the county's average increase in non-farm personal income for the preceding six years.
 - Must include comparison to increases in the budgets and tax levies of other taxing units in the county.

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Non-Binding Recommendations

- County responsibilities – Schools
 - Review the proposed levies and tax rates for the school.
 - No recommendation is required.

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Non-Binding Recommendations

- If the taxing unit fails to file the necessary information by September 2, the taxing unit will receive its most recent annual appropriations and tax levies.
- If the county council fails to perform both the review AND recommendation by October 1, the county will receive the most recent annual appropriations and tax levies.

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Binding Adoption

- Units subject to binding adoption:
 - Taxing units with appointed boards (majority of board unelected).
 - Libraries with appointed boards with growth in the proposed budget which exceeds the AVGQ.
- Proposed budget and levy must be submitted to the appropriate fiscal body by September 2, 2014.
- Appropriate fiscal body is responsible for publishing the required notice of proposed budgets and levies and notice of public hearing, though taxing unit is responsible for paying for this notice.

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Binding Adoption

- Appropriate fiscal body must conduct the public hearing for the taxing unit.
- Appropriate fiscal body must adopt the final budget and tax levy for the taxing unit.
 - Fiscal body may reduce or modify but not increase the proposed budget or tax levy.
- Appropriate fiscal body officer (county auditor in the case of county council) serves as the submitter of the budget forms through Gateway.
 - Email gateway@dlgf.in.gov to get submission rights if needed.

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Pilot Program

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SEA 517-2013

- SEA 517-2013 allows the Department to establish a three-year pilot program to improve the county council review process.
- Counties may apply to participate in the program.
- Up to three counties will be selected.
- The Department will conduct a more detailed review during the month of September to allow council to make more informed recommendations.

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SEA 517-2013

- Participation in the pilot program will increase the amount of information that taxing units will be required to provide.
 - The county unit will also be required to provide additional information.
- Participation in the pilot program will also modify the budget calendar for units within participating counties.

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Protected Taxes

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Protected Taxes

- Protected taxes are being implemented in 2014.
- Protected taxes are taxes raised for debt-service funds.
- The goal of protected taxes is to ensure that a unit has sufficient revenue to be able to pay its debts when due.

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Protected Taxes

- Debt service funds will not be subject to circuit breaker loss.
- The tax rate associated with debt service funds is included for the purposes of computing a unit's overall circuit breaker loss.
- NOTE: Over 65 Circuit Breaker is not included in the statements above. Debt service funds will experience a loss due to Over 65 circuit breaker credits if applicable.

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Protected Taxes

- Total Unit Circuit Breaker Loss = \$100,000

Fund	Tax Rate	% of Total Tax Rate	Circuit Breaker Credits	% of Circuit Breaker Credits
General	\$0.5000	50%	\$66,667	67%
Reassessment	0.1000	10%	13,333	13%
Health	0.1500	15%	20,000	20%
Debt Service	0.2500	25%	0	0%
Total	\$1.0000		\$100,000	

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Protected Taxes

- SEA 517-2013 included a provision that will allow a taxing unit to determine to which they would like to allocate the circuit breaker credits associated with the debt service fund.
- Additional information on the process to be followed to do this allocation will be forthcoming from the Department.

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Contact the Department

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- Website: www.in.gov/dlgf
 - "Contact Us": www.in.gov/dlgf/2338.htm

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